

BUDGETARY LEGAL LEDGER

Activity: Encumbrance Reclassification,
Final BLL Reconciliation, Year-End
Reports Preparation and Submission

Module: General Ledger (GL)

Role: GL Reporter

The Budgetary Legal Ledger (BLL) is the source of financial information used to prepare the budgetary legal year-end reports. The sources of data for BLL are from the MODACCRL Ledger and Commitment Control (KK) and include balance sheet accounts (assets and liabilities), encumbrances, non-posted voucher liability accounts, and nominal accounts (expenditures and revenues). BLL is built using allocation journals.

Departments will perform the following tasks for BLL year-end reporting as described in FI\$Cal Job Aid .258 Running the Year End Close Process:

- Request FI\$Cal Service Center (FSC) to build BLL
- Reclassify allocated encumbrance liability or non-posted voucher liability amounts to the appropriate Due To accounts
- Perform the BLL final SCO Agency reconciliation
- Prepare manual year-end reports (see page 7 for specific report guides)
 - Report 1
 - Report 2
 - Report 3
 - Report 5
 - Report 15
- Review year-end reports from the BLL (see page 8 for specific report guides)
 - Report 7
 - Report 8
 - Subsidiaries on File Report
 - Due To/From Supplemental Report
 - Report 9
 - Report 20
- Submit the year-end reports to SCO

FSC to build BLL:

When all Period 998 tasks are complete, departments will request FSC to close Period 998 and build the BLL. FSC will be responsible for creating and posting the BLL journals.

Encumbrances or Non-Posted Vouchers Reclassification (State Suppliers):

Once FSC has built the BLL (posted journals), departments will reclassify encumbrance liabilities and non-posted voucher liabilities for State Suppliers to the appropriate Due To accounts, if applicable. For detailed instructions of BLL encumbrance reclassification, see eLearning “Year-End Encumbrance Reclassification”.

Note: Non-posted vouchers are vouchers not approved by SCO and not included in MODACCRL Ledger. These are included as expenditures in KK Ledger which will be integrated with the MODACCRL Ledger to build the BLL.

SCO Agency Reconciliation (BLL):

The MODACCRL Ledger does not include the encumbrances and non-posted vouchers. Therefore, a final BLL SCO Agency reconciliation is needed to ensure all liabilities are identified to the appropriate Due To accounts by item (program, ENY).

To identify the reclassified liabilities, departments perform the BLL SCO Agency reconciliation. Departments can utilize the **DFQ_GL_01_JOURNAL_DETAIL** query to pull all **encumbrance allocation** and **reclassification** journals created in BLL. By adding the two types of journals and the non-posted vouchers liabilities (if applicable), departments can obtain the net encumbrance liability amounts reclassified to the appropriate Due To accounts by fund, ENY and program. The amounts will be updated in the final BLL SCO Agency Reconciliation to the appropriate Due To accounts (GL Account 2 series). Criteria for the query:

- 1** – Journal Date From **01/01/1901** (date from inception)
- 2** – Journal Date To **06/30/20XX** (date fiscal year just ended)
- 3** – Ledger Group **BUDLEGAL** (for all journals created from BLL)

DFQ_GL_01_JOURNAL_DETAIL - GL Journal Detail Transactions

*Business Unit	8860	1
*Journal Date From	01/01/1901	2
*Journal Date To	06/30/20XX	
ENY ~ (Blank for All)		
Approp Ref ~ (Blank for All)		
Fund ~ (Blank for All)		
Program ~ (Blank for All)		
Source ~ (Blank for All)		
Account ~ (Blank for All)		
Journal ID ~ (Blank for All)		
Amount ~ (Blank for All)		0.000
Project ~ (Blank for All)		
Activity ~ (Blank for All)		
Period ~ (Blank for All)	0	
Ledger Group ~ (Blank for All)	BUDLEGAL	3
View Results		

If the file is large, run Schedule Query to download.

Below is sample of **Encumbrance Allocation** journal pulled from the query.

Filter data to display the journal description “Enc/Offset to BudLeg Jul” and “Enc/Offset to BudLeg Aug”. Then, the encumbrance allocation journal ID created with **BUDLEGAL** Ledger Group and **ALO** Source will be displayed.

Uni	Ledger G	So	Journal I	Date	Approp	Fund	ENY	Account	Alt Acct	Program	Amount	Ye	Long Descr
8860	BUDLEGAL	ALO	0000327294	6/30/20XX	001	0001	20XX	2000000	9999999999	9999	106.33	2016	Enc/offsets to BudLeg Jul
8860	BUDLEGAL	ALO	0000327294	6/30/20XX	001	0001	20XX	2000000	9999999999	9999	172.52	2016	Enc/offsets to BudLeg Jul
8860	BUDLEGAL	ALO	0000327294	6/30/20XX	001	0001	20XX	2000000	9999999999	9900100	1,262.70	2016	Enc/offsets to BudLeg Jul
8860	BUDLEGAL	ALO	0000327294	6/30/20XX	001	0001	20XX	2000000	9999999999	6770010	84,519.67	2016	Enc/offsets to BudLeg Jul
8860	BUDLEGAL	ALO	0000327294	6/30/20XX	001	0001	20XX	2000000	9999999999	6770019	23,591.64	2016	Enc/offsets to BudLeg Jul
8860	BUDLEGAL	ALO	0000327294	6/30/20XX	001	0001	20XX	2000000	9999999999	6770028	137,922.16	2016	Enc/offsets to BudLeg Jul
8860	BUDLEGAL	ALO	0000327294	6/30/20XX	001	0001	20XX	2000000	9999999999	6770037	2,153.22	2016	Enc/offsets to BudLeg Jul
8860	BUDLEGAL	ALO	0000327294	6/30/20XX	001	0001	20XX	2000000	9999999999	9999	5,007.00	2016	Enc/offsets to BudLeg Jul
8860	BUDLEGAL	ALO	0000327294	6/30/20XX	001	0001	20XX	2000000	9999999999	6800	386,854.83	2016	Enc/offsets to BudLeg Jul
8860	BUDLEGAL	ALO	0000327294	6/30/20XX	001	0001	20XX	2000000	9999999999	6780	1,557.22	2016	Enc/offsets to BudLeg Jul
8860	BUDLEGAL	ALO	0000327294	6/30/20XX	001	0001	20XX	2000000	9999999999	9999	187,666.39	2016	Enc/offsets to BudLeg Jul
8860	BUDLEGAL	ALO	0000327294	6/30/20XX	001	0001	20XX	2000000	9999999999	9999	76,532.21	2016	Enc/offsets to BudLeg Jul
8860	BUDLEGAL	ALO	0000327294	6/30/20XX	501	0001	20XX	2000000	9999999999	6770010	22,249.97	2016	Enc/offsets to BudLeg Jul
8860	BUDLEGAL	ALO	0000327294	6/30/20XX	001	0001	20XX	2000000	9999999999	6770010	-42,155.11	2016	Enc/offsets to BudLeg Jul
8860	BUDLEGAL	ALO	0000327294	6/30/20XX	001	0001	20XX	2000000	9999999999	6770019	-13,345.58	2016	Enc/offsets to BudLeg Jul
8860	BUDLEGAL	ALO	0000327294	6/30/20XX	001	0001	20XX	2000000	9999999999	6770028	-94,213.45	2016	Enc/offsets to BudLeg Jul
8860	BUDLEGAL	ALO	0000327294	6/30/20XX	001	0001	20XX	2000000	9999999999	6770037	-1,218.04	2016	Enc/offsets to BudLeg Jul
8860	BUDLEGAL	ALO	0000327294	6/30/20XX	001	0001	20XX	2000000	9999999999	6800	-45,071.36	2016	Enc/offsets to BudLeg Jul
8860	BUDLEGAL	ALO	0000327294	6/30/20XX	001	0001	20XX	2000000	9999999999	6780	-5,371.58	2016	Enc/offsets to BudLeg Jul
8860	BUDLEGAL	ALO	0000327294	6/30/20XX	001	0001	20XX	2000000	9999999999	9999	-63,898.94	2016	Enc/offsets to BudLeg Jul
8860	BUDLEGAL	ALO	0000327294	6/30/20XX	001	0001	20XX	2000000	9999999999	9999	-180,460.48	2016	Enc/offsets to BudLeg Jul
8860	BUDLEGAL	ALO	0000327294	6/30/20XX	001	0001	20XX	2000000	9999999999	6780	3,477.04	2016	Enc/offsets to BudLeg Jul
8860	BUDLEGAL	ALO	0000327294	6/30/20XX	001	0001	20XX	2000000	9999999999	6780	-3,399.20	2016	Enc/offsets to BudLeg Jul

Below is sample of **Encumbrance Reclassification** journal pulled from the query.

Filter data to display the Journal ID posted for Encumbrance Reclassification with **BUDLEGAL** Ledger Group and **ACC** Source. The journal description (entered by departments) should indicate that the purpose of the journal is to reclassify encumbrance payable to lower level Due To account.

Uni	Ledger G	Source	Journal I	Date	Appr	Fund	ENY	Account	Alt Acct	Progr	Amount	Line Descr	Ye	Long Descr
8860	BUDLEGAL	ACC	0000328208	6/30/20XX		0001	20XX	2000100	0000000000	6780	1,459.44	Accrued Payables	20XX	Reclass Encumbrance Payable to lower level Due To account
8860	BUDLEGAL	ACC	0000328208	6/30/20XX		0001	20XX	2000100	0000000000	6770	37,783.78	Accrued Payables	20XX	Reclass Encumbrance Payable to lower level Due To account
8860	BUDLEGAL	ACC	0000328208	6/30/20XX		0001	20XX	2000100	0000000000	6780	1,581.06	Accrued Payables	20XX	Reclass Encumbrance Payable to lower level Due To account
8860	BUDLEGAL	ACC	0000328208	6/30/20XX		0001	20XX	2011000	0000000000	6770	-950.00	Due to Other Approps-Same Fund	20XX	Reclass Encumbrance Payable to lower level Due To account
8860	BUDLEGAL	ACC	0000328208	6/30/20XX		0001	20XX	2011000	0000000000	6770	-542.50	Due to Other Approps-Same Fund	20XX	Reclass Encumbrance Payable to lower level Due To account
8860	BUDLEGAL	ACC	0000328208	6/30/20XX		0001	20XX	2011000	0000000000	6770	-20,803.00	Due to Other Approps-Same Fund	20XX	Reclass Encumbrance Payable to lower level Due To account
8860	BUDLEGAL	ACC	0000328208	6/30/20XX		0001	20XX	2011000	0000000000	6770	-15,138.28	Due to Other Approps-Same Fund	20XX	Reclass Encumbrance Payable to lower level Due To account
8860	BUDLEGAL	ACC	0000328208	6/30/20XX		0001	20XX	2010000	0000000000	6770	-350.00	Due to Other Funds - Current	20XX	Reclass Encumbrance Payable to lower level Due To account
8860	BUDLEGAL	ACC	0000328208	6/30/20XX		0001	20XX	2011000	0000000000	6780	-608.10	Due to Other Approps-Same Fund	20XX	Reclass Encumbrance Payable to lower level Due To account
8860	BUDLEGAL	ACC	0000328208	6/30/20XX		0001	20XX	2011000	0000000000	6780	-1,155.39	Due to Other Approps-Same Fund	20XX	Reclass Encumbrance Payable to lower level Due To account
8860	BUDLEGAL	ACC	0000328208	6/30/20XX		0001	20XX	2011000	0000000000	6780	-851.34	Due to Other Approps-Same Fund	20XX	Reclass Encumbrance Payable to lower level Due To account
8860	BUDLEGAL	ACC	0000328208	6/30/20XX		0001	20XX	2011000	0000000000	6780	-425.67	Due to Other Approps-Same Fund	20XX	Reclass Encumbrance Payable to lower level Due To account

Manual Year-End Reports (BLL):

The final BLL SCO Agency reconciliation provides the source of information in preparing the year-end financial reports. As soon as the reconciliation is complete, departments can prepare the manual year-end financial reports. The manual reports include the following:

- Report of Accruals to Controller's Accounts (Report 1)
(FI\$Cal Job Aid .244 Year End Report 1 – Report of Accruals to Controller's Account)
 - Accrual Worksheet (Report 2)
(FI\$Cal Job Aid .251 Year End Report 2 – Accrual Worksheet)
 - Adjustment to Controller's Accounts (Report 3)
(FI\$Cal Job Aid .242 Year End Report 3 – Adjustments to Controller's Accounts)
 - Final Reconciliation of Controller's Accounts with Final Budget Report (Report 5)
(FI\$Cal Job Aid .248 Year End Report 5 – Preparing the Final Reconciliation of Controller's Accounts)
 - Reconciliation of State Agency Accounts with SCO Transactions (Report 15)
(FI\$Cal Job Aid .240 Year End Report 15 – Reconciliation of State Agency Accounts with SCO Transactions)
- In addition to FI\$Cal Jobs Aids, departments can refer to Department of Finance's eLearning Courses "Year-End Reports" for instructions on preparing year-end reports.

Year-End Reports (BLL):

Departments will generate and review year-end financial reports from BLL. The generated reports include the following:

- Pre-Closing Trial Balance Report (Report 7)
(FI\$Cal Job Aid .288 Year End Report 7 – Pre-Closing Trial Balance Report)
- Post-Closing Trial Balance Report (Report 8)
(FI\$Cal Job Aid .229 Year End Report 8 – Post-closing Trial Balance Report)
- Subsidiaries on File Report
(FI\$Cal Job Aid .256 Year End Report 8 – Subsidiaries on File Report)
- Due To/From Supplemental Report
(FI\$Cal Job Aid .250 Due To/From Supplemental Report)
- Analysis of Change in Fund Balance Report (Report 9)
(FI\$Cal Job Aid .254 Year End Report 9 – Analysis of Change in Fund Balance Report)
- Statement of Financial Condition Report (Report 20)
(FI\$Cal Job Aid .232 Year End Report 20 – Statement of Financial Condition Report)
- In addition to FI\$Cal Jobs Aids, departments can refer to Department of Finance's eLearning Courses "Year-End Reports" for instructions on preparing year-end reports.

Departments will validate the following items when reviewing the BLL generated reports:

- Total Expenditure account (GL 9000) and Reimbursement account (GL 8100) on Report 7 agree with the Total Fund's Budgetary Expenditures on Report 6
- Encumbrance balances match between Report 6 and the SCO/Agency Reconciliation generated from FI\$Cal by item
- Current year Revenue account (GL 8000) on Report 15 agrees with Total Revenue amount on Report 4
- Accounts on Report 7 agree with accounts on Report 8. All nominal accounts on Report 7 closed to Fund Balance account on Report 8
- Each account total on Subsidiaries on File Report agrees with the corresponding account on Report 7 and Report 8
- Due To accounts (GL 3114 and 3115) and Due From accounts (GL 1410 and GL 1420) on the Due To/From Supplemental Report agree with the corresponding accounts on Subsidiaries on Files Report
- Beginning fund balance of Report 9 agrees with the ending fund balance from the prior year Report 9 submitted to the SCO. Ending fund balance on Report 9 agrees with fund balance on Report 8
- Report 20 amounts agree with Report 8

Note: Reports 4, 6, 18 and 19 are generated from the MODACCRL Ledger. Report data on those reports will remain the same in both the MODACCRL and the BLL Ledgers. For details on MODACCRL reports, see page 5 of eLearning "Period 998 Reconciliations and Reports". However, departments will not utilize the Report 7 generated from MODACCRL ledger for year-end reporting purposes as encumbrances and non-posted vouchers are not included in the MODACCRL Ledger. Instead, departments will utilize the Report 7 generated from the BLL. This BLL Report 7 includes encumbrances and non-posted vouchers in expenditure and applicable liability accounts.

Year-End Reports to SCO:

Departments will prepare and review all year-end manual and generated reports to be submitted. They will also generate the Report of Accounts Outside the State Treasury (Report 14) from FI\$Cal. The Statement of Contingent Liabilities (Report 22) will be prepared outside of FI\$Cal if applicable. With the exception of Report 6 which will be kept internally by departments, all other manual and generated year-end reports will be submitted to SCO for year-end reporting purposes.

Departments should refer to the **SCO Year-End Financial Reports Procedure Manual** for details on report submission requirements for each fund classification.

BLL SCO Agency Reconciliation Tips

- No variances exist between the adjusted SCO Appropriation Balance and the Department's Adjusted Appropriation Balance
- No variances exist in the GL variance balance column
- All ENYs Clearing Account balances must be zero
- All departmental reconciling items must be resolved
- All adjustments to SCO accounts should be supported by transaction requests and reported on Report 3, Adjustments to Controller's Accounts

Pre-BLL Tips

The following should be considered to avoid issues when building the BLL:

- Never unpost a paid voucher. If chartfield values need to be updated, use journal voucher
- Ensure unpaid vouchers are unposted with the same accounting date as on the voucher
- When creating a ticket to correct subsystem suspense journal, ensure that SCO checks the “Bypass Budget” flag on the correction journals. If not, the journal entry will create KK-GL mismatch
- Verify that the accounting date matches the fiscal year you are closing the Purchase Order
- If the period is open, unpost a journal instead of creating a reversal of the journal. In FI\$Cal, this will create an audit trail tied to original entry for the unposted journal